

Portland Water Bureau

Briefing for the Portland Utility Board

FY 2018-19 Preliminary Operating Budget & Decision Packages



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Budget Process

September

- Began FY 2018-19 Budget Development
- No early outside direction
- Bureau direction: Current Service Level
 - Managers' discretion to allocate between programs

Budget Process (cont.)

October

- Groups develop budget requests
 - Realignment of budget
 - New positions
- Managers reviewed and discussed the budget
 - How best to meet the needs identified
 - Alternatives to meet those needs
 - Identified other needs
 - Consolidated the requests in Decision Packages

Budget Process (cont.)

November

- Draft Decision Packages
- Mayor's Budget Guidance
- Commissioner's Budget Guidance

December

- Refine Decision Packages
- Receive PUB Co-chair information requests
- Receive PUB and CUB feedback

January

- Finalize Budget submission, 5-year CIP, 5-year Financial Plan

Staffing

FY 2017-18 Adopted = 589

- includes 6 Limited Terms

Since beginning of FY = Added 2.5 Limited Terms

Decision Packages = 21 positions

Operating Budget

By Programs

- FY 2018-19 is preliminary
 - Labor cost increase not included
 - Inflation not included
 - Final interagency agreements not included
 - Decision packages are included
- \$1.6 million increase from current budget
 - Added \$3.5M in Decision Packages
 - Reduced \$1.9M of one-time costs
- All program budgets changed as result of personal services cost associated with labor turnover

Decision Packages

Reductions

- Realignments in the Operating Budget
- No adjustment for inflation
- Several CIP projects canceled or rescoped

Adds

- 9 packages, prioritized
- Some requests delayed or removed

Water Treatment – Priority 1

Provides resources to implement Corrosion Control and Filtration treatments

7 Full-Time positions

\$351,000 Operating

\$600,000 Capital

\$951,000 Total

Unidirectional Flushing – Priority 2

Institutes Unidirectional Flushing to clear out sediment, biofilm, and deposits in the distribution system.

5 Full-Time positions

\$444,000 Operating

Workforce Management – Priority 3

Provide resources to the bureau to continue compliance with all safety requirements, including OHA safety requirements, Risk Management Plans, Process Safety Management, confined space entries, etc. It also brings contracted Public Work Inspectors in-house.

3 Full-Time positions

\$176,000 Operating

\$233,000 Capital

\$409,000 Total

Asset Management – Priority 4

Provides development and implementation of asset management methods and best business practices with Reliability Centered Maintenance and Water Loss Control Management.

2 Full-Time positions

\$281,000 Operating

Communications – Priority 5

Provides a technical writer to help design, draft, edit and finalize bureau documents and regulatory reports. Allows for more timely, accessible, and comprehensive public information.

1 Full-Time position

\$142,000 Operating

Equity Manager – Priority 6

Enables the bureau to more effectively meet the City's equity goals and to better implement the bureau's 5-year Racial Equity Plan.

1 Full-Time position
\$144,000 Operating

Financial Assistance Expansion – unranked

Proposes 5 improvements to our existing suite of programs:

- 1) create a low-income services team
- 2) increase the value of the crisis voucher
- 3) adjust income guidelines to reflect local incomes
- 4) add new discount for extremely low-income customers
- 5) create multi-family low income crisis assistance

2 Full-Time positions (Water)

\$582,000 Operating (Water)

\$450,000 to \$1,050,00 Foregone Revenues (BES and Water)

Mt. Tabor Preservation – unranked

Maintenance, repair and preservation work identified in the 2009 Mt. Tabor Reservoirs Historic Structures Report. This is year three of the \$4 million total over the four-year period for this work as directed in Resolution No. 37146.

\$1.1 million – General Fund

Parks Maintenance – unranked

Maintenance of park-like amenities on Water Bureau properties. These maintenance activities were identified through the Anderson lawsuit as inappropriate use of rate payer funds.

\$225,200 – General Fund

Considered but not requested

Not included:

- Emergency Management personnel
- Advanced Metering Infrastructure (AMI)
- Additional Leak Locating crew / equipment
- More Capital Projects

Request reduced:

- Additional Safety personnel and equipment
- Additional Public Works Inspector
- Additional Filtration staffing

Rate Conventions

Operating:

Joint Costs - \$2.4 million

Overhead Costs - \$1.7 million

Retail Costs - \$1.6 million

= 1% Retail
Increase

Capital:

\$17 million

= 1% Retail
Increase